



San Diego City Attorney MICHAEL J. AGUIRRE

NEWS RELEASE

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CITY ATTORNEY URGES RETIREMENT BOARD TO STOP PAYMENT OF ATTORNEY'S FEES FOR BOARD MEMBERS CHARGED IN DA'S CASE

San Diego, CA: San Diego City Attorney Michael Aguirre is advising the board members of the San Diego Employees Retirement System (SDCERS) to discontinue any additional payments of legal fees for six board members who have been charged with felony criminal law violations by the District Attorney's Office.

"A public entity such as SDCERS is not required to pay for criminal defense counsel for board members who are charged with criminal violations of law," said City Attorney Aguirre. "It would not be in the best interest of the public entity."

On Tuesday, the District Attorney's Office filed felony charges against five former board members and one current board member of SDCERS. Ronald Saathoff, John A. Torres, Sharon Wilkinson, Mary Vattimo and Terri Webster have each been charged with three felony counts of Government Code Section 1090 which states that "city officers or employees shall not be financially interested in any contract made by them in their official capacity or by anybody or board of which they are members." Cathy Lexin has been charged with two felony counts.

On April 8 the City Attorney released his findings into the City's employee pension fund which is underfunded by \$1.4 billion. The City Attorney's Interim Report #3 concluded that SDCERS board members abandoned their fiduciary duties when they agreed to underfund the pension at the request of the City Council in return for expanded benefits. The District Attorney's Office cited the City Attorney's investigative reports as part of its over-all investigation which led to the felony charges.

This afternoon, the City Attorney's request was hand delivered by letter to the SDCERS Board members. He will appear before the SDCERS Board tomorrow at 1:30 p.m.

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